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**China Success Finance Group Holdings Limited**

**中國金融發展(控股)有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**Stock code: 3623**

**SUPPLEMENTAL ANNOUNCEMENT  
DISCLOSEABLE TRANSACTION  
IN RELATION TO THE  
SUBSCRIPTION FOR EXCHANGEABLE BOND  
AND  
PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**



**IMPERIUM INTERNATIONAL SECURITIES LIMITED**

Reference is made to the announcement of China Success Finance Group Holdings Limited (the “**Company**”) dated 2 May 2025 (the “**Announcement**”) in relation to the Subscription and the Placing. Unless the context otherwise requires, capitalised terms used herein shall have the same meaning as those defined in the Announcement. In addition to the information provided in the Announcement, the Company would like to provide the following additional information and clarification in relation to the Vendor, the Subscription and the Placing.

**The issue of the Exchangeable Bond by a natural person is permissible under the relevant laws and regulations**

The Target Company has engaged a law firm based in Muscat, Oman. Based on the legal opinion having considered the Royal Decree 18/2019 promulgating the Commercial Companies Law, the Royal Decree 29/2013 promulgating the Civil Transactions Law and the relevant regulations and guidelines issued by the Capital Market Authority (CMA, including those applicable to securities and bonds, Omani law does not prohibit a natural person from issuing an exchangeable bond that relates to the exchange of equity interest in an Omani company by a subscriber of such bond provided that (a) the issuance and transfer comply with the applicable provisions of the Commercial Companies Law and any restrictions in the company's constitutional documents; (b) the transaction does not constitute a public offering or solicitation requiring approval from the Capital Market Authority; and (c) the board and associated agreements comply with Omani law and general contractual principles.

Accordingly, the issue of the Exchangeable Bond by the Vendor and the subsequent exercise of the Exchangeable Bond by the Subscriber fully comply with the applicable law and regulations of Oman.

**Details of the Company's credit assessment and due diligence procedures performed in satisfying with the Vendor's repayment ability**

As disclosed in the Announcement, the Vendor and/or the Target Company shall have the right to redeem the entire principal amount of the Exchangeable Bond during the Term by way of payment of the principal and interest in cash but only provided the Vendor and/or the Target Company has given no less than two months written notice to the Subscriber of its intention to redeem and the Subscriber opted not to exercise its exchangeable rights under the Exchangeable Bond.

To assess the Vendor's repayment ability, the Company conducted a comprehensive credit assessment evaluating his history, current roles and credit history. As part of its due diligence, the Company carried out Know-Your-Customer and litigation searches. The Vendor has significant equity stakes in projects spread in different parts of the world including a gold mine project in Africa and crypto projects in Portugal and United Arab Emirates. Based on the results of these due diligence procedures, the Company is satisfied with the Vendor's repayment ability.

## **Additional information on the exchangeable price**

As disclosed in the Announcement, the initial exchangeable price shall be based on a multiple of 4 times the Target Company's ebitda for its full financial year as calculated from its audited financial statements, subject to a cap valuation of US\$400,000,000 and always subject to the customary adjustments in certain events including share consolidation, share sub-division, capitalisation issue, capital distribution and issue of other securities.

### ***Basis for determining the exchangeable price***

The exchangeable price was determined after arm's length negotiations among the parties to the Subscription Agreement, taking into account the following key factors:

#### **(1) Future prospect of Oman's crypto market**

Oman's crypto market is expanding with US\$1.1 billion in Bitcoin mining investments and blockchain initiatives driving the Vision 2040 plan for economic diversification and GDP growth. The supportive regulatory framework, including the Capital Market Authority's guidelines for Virtual Asset Services Providers, enhances the market's growth potential.

#### **(2) Future business prospect of the Target Company**

The Target Company is duly registered with the Financial Services Authority of the Central Bank of Oman and is entitled to carry out electronic banking services. It is in the process of establishing itself as the first entity to operate a crypto OTC trade desk and exchange platform in Oman.

#### **(3) Ebitda multiple of comparable companies**

The basis for determining the exchangeable price on a multiple of 4 times the Target Company's ebitda for its full financial year was benchmarked against comparable listed companies in the United States of America and Hong Kong engaged in crypto OTC trading and exchange platforms. The Board has considered the ebitda multiples (calculated by dividing enterprise value by ebitda) of two comparable companies listed in the United States of America and two comparable companies listed in Hong Kong. The ebitda multiples of these four comparable companies ranged from 11.26 times to 77.50 times. The 4-times ebitda multiple used to determine the exchangeable price is significantly lower, reflecting the Subscriber's prudent approach and taking into account the inherent risks associated with the Target Company's status as a private, early-stage entity establishing its crypto OTC trading and exchange platforms.

***Basis for determining the cap valuation of US\$4 Million for 1% of the total issued share capital of the Target Company***

The cap valuation of US\$4 million for 1% of the Target Company's total issued share capital (implying a total valuation cap of US\$400 million for 100% of the issued share capital) represents a maximum valuation that the Subscriber expects the Target Company could achieve. This cap valuation was determined after arm's length negotiations among the parties to the Subscription Agreement, taking into account the following key factors:

**(1) Aspirational performance target**

The total valuation cap of US\$400 million assumes that the Target Company will achieve an ebitda of US\$100 million, reflecting successful execution of its crypto OTC trade desk and exchange platform in Oman's supportive regulatory environment.

**(2) Flexibility and risk mitigation**

The exchangeable rights under the Subscription Agreement provide the Subscriber with flexibility during the exchange period of the Exchangeable Bond. If the Target Company's actual EBITDA justifies a valuation at US\$400 million cap, the Subscriber may exercise its exchangeable rights. Conversely, if the Target Company underperforms and fails to meet the expected valuation, the Subscriber can opt not to exercise its exchangeable rights. This flexibility mitigates the Subscriber's risk and ensures alignment with the Target Company's actual financial performance.

**(3) Protective mechanism**

The cap valuation serves as a safeguard for the Subscriber, ensuring that the exchangeable price does not exceed a predetermined threshold of US\$4 million in exchange for 1% of the Target Company's issued share capital, regardless of the Target Company's actual ebitda. Without this cap valuation, the Subscriber could face a higher conversion cost if the Target Company's ebitda significantly exceeds US\$100 million.

## **Clarification**

The Board would like to clarify that on pages 2, 7 and 10 of the Announcement, the average closing price per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreement/the Placing Agreement was approximately HK\$0.832 per Share. Accordingly, the Issue Price/the Placing Price of HK\$0.7 per Placing Share represents a discount of approximately 15.87% to the average closing price of approximately HK\$0.832 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreement/the Placing Agreement.

Save for the clarification and the additional information in this announcement, all other information contained in the Announcement remains unchanged.

By order of the Board  
**China Success Finance Group Holdings Limited**  
**Zhang Tiewei**  
*Chairman and Executive Director*

Hong Kong, 9 May 2025

*As at the date of this announcement, the executive Directors of the Company are Mr. Zhang Tiewei, Mr. Li Bin, Ms. Dai Jing, Mr. Xu Kaiying and Mr. Pang Haoquan, and the independent non-executive Directors of the Company are Mr. Tsang Hung Kei, Mr. Au Tien Chee Arthur and Mr. Zhou Xiaojian.*